US EXECUTIVE APPROVAL FORM

Lesaffre International Corporation

HQAPP:

1. Dispute Resolution provision: insert into item C:) "In the event of any dispute or disagreement between the parties arising out of or relating to this agreement or an ordering document (the "dispute"), the parties will endeavor to resolve the dispute in accordance with this section.

Either party may invoke this section by providing the other party written notice of its decision to do so, including a description of the issues subject to the dispute. Each party will appoint its representative to discuss the dispute. If such representatives do not resolve the dispute within ten (10) business days of the other party's receipt of such notice, then each party shall immediately refer the dispute to the Vice President level. No formal proceedings for the judicial resolution of such dispute, except for the seeking of equitable relief, may begin until the dispute has been elevated to the Vice President level, and the Vice President concludes, after a good faith effort to resolve the dispute, that resolution through continued discussion is unlikely. The parties shall refrain from exercising any termination right and shall continue to perform their respective obligations under this agreement and the ordering document(s) while the parties endeavor to resolve the dispute under this section, provided that, any party alleged to be in breach has promptly commenced cure and pursues the cure in good faith and you continue to pay for any programs and services ordered under the ordering document(s) and this agreement."

2. Virus Provision - a little more comprehensive than our standard option: Modification: (include as a new paragraph in the Other section)

"As of the Effective Date, Oracle does not incorporate into any of its programs any time bombs, disabling devices, or other automated license enforcement mechanisms that would intentionally limit your ability to gain use of the programs or access to its database. Unless otherwise agreed, to the extent the programs contain such devices or mechanisms, Oracle shall provide access devices or codes for the bypass of such devices and/or accessing of the programs for the full use authorized by this agreement."

3. Subsequent release language -

"In the event a program license in Section A of this ordering document (an "Existing Program License") is bundled with another program license following the effective date of this ordering document (the "Bundled Program License") and such Bundled Program License includes the same or substantially similar functionality and features as the Existing Program License, then provided Oracle makes such Bundled Program License generally available for no additional license and/or Technical Support fees to all of its customers who have maintained Technical Support, and provided further that you have continuously maintained (or reinstated Technical Support pursuant to the then current Technical Support policies) Technical Support for the relevant Existing Program License, Oracle shall also provide you with such Bundled Program License for no additional license and Technical Support fees."

4. Delete Customer reference language

Approved on 31-May-2003:
1. Deal has been restructured to 147 Professional Users (prof and empl users combined) note: customer needs additional but limited funcitionality above the Employee metric licensing but can't come to definitive agreement on what modules of the Suite are needed)
2. 69% discount + 2% to buy down OFD financing (higher discount requested to get to same net L as previously approved deal) contract will show 69% but 71% needed to cover financing
3. Price hold for additional Professional Users stays at 52.5%
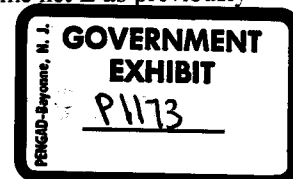
<u>Final Requests:</u>
<u>HQAPP Response on 30-May-2003 to below requests:</u>
This has got to be the last set of changes from the attorney. If you guys have to team up with the guys from Strong Financial, do so and put the foot down. By not getting a final list, you are putting your deal at risk, because it's likely we will get to a point where both sides disagree on an issue and it becomes a show stopper. This deal is not large enough that you want to get yourself in that position.

1. Not Approved. You can use the regular escrow option, but they will not be a preferred Beneficiary.
2. COGS and REV language is fine. You should add that mins must continue to be met.
3. Audit is OK
4. Remove minimum purchase is OK
5. Push back on this. I don't see why we would agree to increase it to the total value of the order.
6. If we infect the system, then we will fix or repair the system. If we can't, then we are subject to our normal LOL section. We are not opening this up to all the fee paid.
7. Assignment language is fine.

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1. Escrow – Make Lesaffre a preferred Beneficiary
2. COGS/revenue language as follows:

$M Cost of Goods Sold: is defined as one million U.S. dollars in the total cost of inventory that a company has sold during their fiscal year, exclusive of gross profit on inter-company purchases among affiliated companies. If Cost of GoodsSold is unknown to you then Cost of Goods Sold shall be equal to 75% of total company revenue. The parties agree that any license fees that are determined by $M Cost of Goods Sold will be based only on the $M Cost of Goods Sold of the particular entity or entities that are actually using the programs.

$M in Revenue: is defined as one million U.S. dollars in all income (interest income and non interest income) before adjustments for expenses and taxes generated by you during a fiscal year but excluding all revenue from inter-company salesamong affiliated companies. The parties agree that any license fees that are determined by $M in Revenues will be based only on the $M Cost of Goods Sold of the particular entity or entities that are actually using the programs.

3. Audit – state that audits will exclude confidential financial information
4. Strike $10,000 minimum purchase off price hold (see below in previously approved #10, customer wants no minimum purchase)

> Privileged Material Redacted

6. Indemnification (OLSA) – In regards to hosting, in the event there is an issue like a virus that infects Lesaffre's Oracle instance and subsequently affects Lesaffre's clients, they would like the Oracle Liability to be equal to the paid Oracle hosting fees.
7. Assignment – Insert assignment language to allow assignment to acquiring entity

<u>Approved by HQAPP on 30-May-2003:</u>
<u>HQAPP:</u>
Nondisclosure - (modify the second sentence of the first paragraph of the Nondisclosure section as follows) (changes

in bold and underlined). Confidential information shall be limited to (a) the terms and pricing under this agreement, **(b) any of your information that Oracle needs access to, and is provided with, for purposes of performing an audit under this agreement, (c) any hosted data residing on your production Oracle outsourcing environment, (d)** and all information clearly identified as confidential.

JUSTIFICATION:
Definition of Confidential Information includes information in Outsourcing Environment and Information Obtained through an Audit: Customer is purchasing Oracle Computer and Administration Services and has requested that the definition of Confidential Information in the Nondisclosure section be expanded to include information in their Oracle outsourcing production environment. In addition, customer has requested that information Oracle receives in the course of an audit be included in the definition of Confidential Information.

29-May-2003, HQAPP response on approval issues as follows: Here are my comments:

Privileged Material Redacted

HQAPP Requests:

Privileged Material Redacted

Privileged Material Redacted

Privileged Material Redacted

Privileged Material Redacted

TIER 1 Requests:
1. Add Payroll to Price Hold at overall blended discount rate (Payroll not on order document)
2. 70% discount on Electronic Orders

TIER 2/3 Requests:
1. Monthly Billing in Advance for Outsourcing
2. Majority owned subs provision (>50%) without exhibit
3. Functionally equivalent support provision for 2 years
4. Taxes – This section shall not apply to taxes based on Oracle net income or personal property
5. Agree not to audit the customer more than once a year
6. 3 year term on OLSA (To match 3 year price hold)
7. Add Source code escrow provision to contract

SALES REP Approval Requests:
1. Viruses – state that our media is free from viruses

Previously approved requests (1-May-2003)
HQAPP Requests:
1. Support Flat years 2 & 3 not to exceed 4% in years 4 & 5
2. 50% discount eBusiness Suite (old model), 80% Discount on Advanced Planning and Demand Planning (See justification)

TIER 1 Requests:
1. 3-year price hold at: 50% discount for eBusiness Suite (old model), 80% discount on Advanced Planning and Demand Planning, 50% discount on Technology, 70% discount on Manufacturing Scheduling. Note: price hold discounts match the deal discounts for all apps products, Technology price hold will be limited to 50% discount (vs. 70% discount on up front deal)
2. 70% Discount Technology and Manufacturing Scheduling

SECTION II – Deal Summary:

Deal Summary	
Programs	Database, 9IAS, IDS, Discoverer, ebusiness Suite, Advanced Supply Chain Planning, Demand Planning, Manufacturing Scheduling
License Discount	55% (ebiz + 35%) ebusiness Suite 70% (ebiz + 50%) Database, 9IAS, IDS, Discoverer, Manufacturing Scheduling, Electronic Orders 80% (ebiz + 60%) Advanced Supply Chain, Demand Planning
Support Discount	55% (ebiz + 35%) ebusiness Suite 70% (ebiz + 50%) Database, 9IAS, IDS, Discoverer, Manufacturing Scheduling, Electronic Orders 80% (ebiz + 60%) Advanced Supply Chain, Demand Planning
Comp & Admin Discount	30%
Phased Implementation for Comp & Admin?	See checklist below and forward a spreadsheet to NASINFO/OGEHINFO
Subset of Users	See checklist below and forward a spreadsheet to NASINFO/OGEHINFO
Support Options/Holds	Years 2 & 3 flat not to exceed 4% in yrs 4 & 5
Price Holds	3-year price hold at: 50% discount for eBusiness Suite (old model) 80% discount on Advanced Planning and Demand Planning 50% discount on Technology 70% discount on Manufacturing Scheduling Payroll at overall blended discount rate Note: price hold discounts match the deal discounts for all apps products. Technology price hold will be limited to 50% discount (vs. 70% discount on up front deal)
List License	$787,950
List Support	$173,349
███████████	$34,898
Net License	$270,285
Net Support	$59,462.70
███████████	$24,428

Net Total Price	$343758.18
Price List Used	3-24-03

SECTION III - Justification:

Privileged Material Redacted

Additional justification:

Privileged Material Redacted

Previous Justification

This is an extremely competitive deal vs. SAP. Manufacturing team favors SAP, Financial team favors Oracle. President of Lesaffre intends to bring two additional divisions onto system 3 – 5 years out and demands a predictable cost structure. Additionally the parent company in France will deploy the application if the US is successful. The Parent company is significantly larger than the US entity.

Information from the selection consultant(Oracle Friendly), which has been validated by a person who just left the SAP reseller indicates:

Reseller providing 3 year price hold

Reseller providing COGS allowing growth to 500M before Lesaffre incurs additional charges **This is why we are asking to increase discount on Supply Chain and Demand Planning

Reseller has fixed bid the implementation – This has the customer believing the TCO over 5 years will be close to equal.

There is an underlying concern within the selection team in regards to dealing with SAP and if we can meet the requested terms we believe we will win this business.

**If we are selected, the client is very interested in hosting which they will negotiate to close in Q4.

Recommendation:

Approve. We gave them the 147 Profess verbally. Price Holds we at lower %. Latest langauge changes are fine. Approve since it was internal error and not customer requesting.

Submitted By: Mike Miller, ASM. Tim Mahoney, RM. John Boucher, AVP.

R: 05/31/03